BOB F. ANDERSON, PE, INC.

PETROLEUM ENGINEERS & CONSULTANTS
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March 8, 2002

Honorable Felix J. Boudreaux, Commissioner of Conservation Office of Conservation P. O. Box 94275 Baton Rouge, LA 70804-4275

Re: APPLICATION FOR PUBLIC HEARING

Hill Sand HILL SUNN Ada Field Webster Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of CYPRESS OPERATING, INC., (Applicant), to the Commissioner of Conservation for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Hill Sand, Ada Field, Webster Parish, Louisiana:

- 1. To permit the applicant, Cypress Operating, Inc., to designate and utilize their Butler et al 33 No. 1 Well, an existing well bore, as the unit well, at an exception location, for the production of gas and condensate for the Hill Sand in the unit designated HILL SUNN, in the Ada Field, Webster Louisiana, such unit being shown on the attached plat and being made a part hereof.
- 2. To find that a substitute unit well is needed on HILL SUNN to drian a portion of the unit that cannot be drained by any other well located within the unit.
- 3. To continue in full force and effect the provisions of the 99-G Series of Office of Conservation Orders, except to the extent contrary herewith.
- 4. To consider and cover such other matters as the Commissioner of Conservation may deem pertinent and appropriate.

The Hill Sand in the Ada Field, Webster Parish, Louisiana, was defined in Office of Conservation Order No. 99-G, effective December 8, 1950.

The pertinent data pertaining to this application is available for inspection at the Offices of Bob F. Anderson, PE, Inc., 400 Travis Street, Suite 209, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Bob Anderson 318/425-4230 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is otherwise not available from the Office of Conservation can be obtained at the expense of the requesting party.

The subject matter of this hearing does not require a pre-application notice.

Pursuant to the revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Interested Parties and Represented Parties to whom this notice of this intended application is being sent. A copy of this letter and the attached plat is being sent to the District Manager of the Shreveport District Office of Conservation and to the Interested Owners, Represented Parties and the Interested Parties as shown on the attached list.

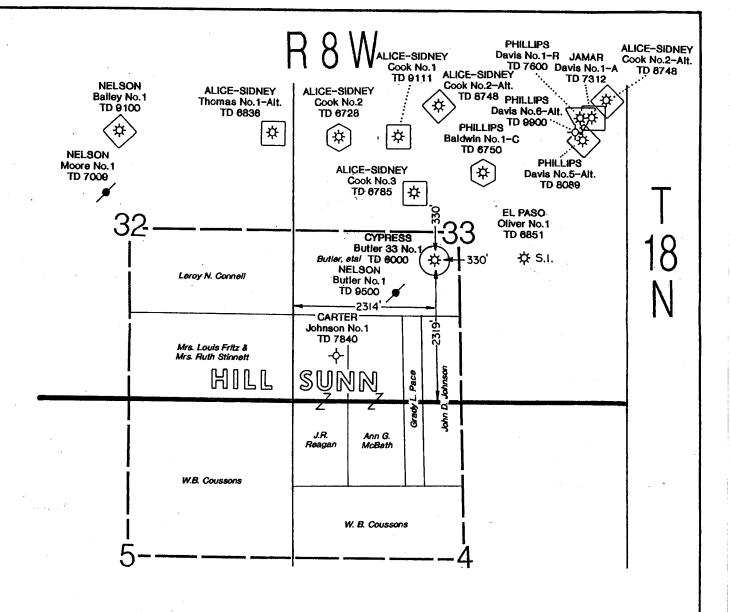
Attached hereto is a check, made payable to the Office of Conservation, to cover the applicable hearing fee.

Yours truly,

B. F. Anderson, PE for

CYPRESS OPERATING, INC.

cc: Mr. James Broussard, District Manager Shreveport District Office of Conservation Interested Owners, Represented Parties and Interested Parties Key Production Company



LEGEND

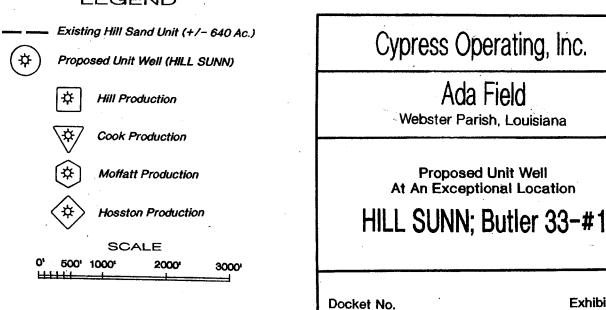


Exhibit No.1